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FM AMEMBASSY ASHGABAT

TO RUEHC/SECSTATE WASHDC PRIORITY 9261

INFO RUCNCIS/CIS COLLECTIVE PRIORITY

RUEHAD/AMEMBASSY ABU DHABI PRIORITY 0214

RUEHLM/AMEMBASSY COLOMBO PRIORITY 0526

RUEHKA/AMEMBASSY DHAKA PRIORITY 0548

RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 2236

RUEHBUL/AMEMBASSY KABUL PRIORITY 0980

RUEHNE/AMEMBASSY NEW DELHI PRIORITY 1032

RHMFIUU/CDR USCENTCOM MACDILL AFB FL//CCJ2/HSE/CCJ5// PRIORITY

RUEAIIA/CIA WASHDC PRIORITY

RHEFDIA/DIA WASHINGTON DC//DHO-2/REA/NMJIC-J2// PRIORITY

RUEKJCS/Joint STAFF WASHINGTON DC//J5/RUE// PRIORITY

RUEKJCS/SECDEF WASHINGTON DC PRIORITY

RUEHNO/USMISSION USNATO PRIORITY 1304

UNCLAS SECTION 01 OF 02 ASHGABAT 000895

SIPDIS

SENSITIVE

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STATE FOR SCA/CEN, NEA

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TAGS: [PREL](#) [ENRG](#) [EPET](#) [ETRD](#) [IR](#) [TX](#)

SUBJECT: AHMEDINEJAD'S VISIT TO ASHGABAT YIELDS MOSTLY BORDER AGREEMENTS

REF: A. ASHGABAT 609

[1B.](#) 06 ASHGABAT 804

[¶1.](#) (SBU) SUMMARY: Following on the heels of President Berdimuhamedov's official visit to Tehran two months ago, Iranian President Ahmadinejad made an official visit to Ashgabat August 14-15 on his way to the Shanghai Organization Summit in Bishkek. Although Iranian ministers arriving in Turkmenistan ahead of Ahmadinejad suggested that the two main topics of discussion would be oil and gas, and creation of a north-south transportation corridor, the resulting agreements did not reflect a meeting of the minds on these topics. The two heads of state signed several agreements and memoranda on border-area water management, trade and media cooperation, and agreed to meet further in Bishkek -- a meeting which did not take place. Notwithstanding Ahmadinejad's assiduous courting, Berdimuhamedov still seems to be determined to keep the expanding relationship focused on improving economic, trade and cultural ties, rather than throwing political support behind his problematic neighbor to the south. END SUMMARY.

[¶2.](#) (U) Two months after President Berdimuhamedov's visit to Tehran (ref a), Iranian President Ahmadinejad paid an official visit to Ashgabat on August 14 and 15 on his way to the Shanghai Cooperation Organization Summit in Bishkek. The media had been playing up the meeting a week before it took place. A bevy of Iranian officials, who hinted the main topics would be oil and gas and the creation of a north-south transportation corridor, descended on Ashgabat several days in advance to negotiate the various documents. Yet, even the day before Ahmadinejad's visit, local media coverage of the talks was noticeably lukewarm.

[¶3.](#) (U) Actual contacts between the two leaders consisted of two meetings, a state dinner, a signing ceremony for the five documents emerging from the visit, and a joint press conference. The five documents included:

-- A joint statement that was largely a recap of the joint statement from Berdimuhamedov's June 15-16 visit to Tehran,

although it underlined the importance of continuing gas, oil and electricity exports from Turkmenistan to Iran and implementation of bilateral energy agreements.

-- A memorandum on bilateral cooperation in radio and television broadcasting. Among other things, this document envisages joint productions;

-- A memorandum of cooperation in trade and economic relations;

-- An agreement on cooperation in construction and operation of a water distribution system and diversion dam of the Tejen/Harirud River at Shirdepe settlement; and

-- An agreement on completion and joint operation of Dostluk dam at the Murghab River.

Ahmedinejad also invited Berdimuhamedov to make a second visit to Tehran, and the two announced that they would have an additional bilateral meeting during the SCO summit in Bishkek. (NOTE: The meeting in Bishkek never materialized; Berdimuhamedov met there only with the presidents of Kyrgyzstan and Mongolia, and with UN General Deputy Secretary Lynn Pascoe. END NOTE.)

14. (SBU) Substantive developments included:

-- Caspian Energy. The two leaders discussed Caspian energy issues, but the discussions resulted only in promises to form a joint working group to consider the question of joint development of hydrocarbon resources on the Caspian shelf. One media source reported that, during a recent meeting with

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Turkish officials regarding the potential transit of Central Asian gas to the West, Iranian representatives had offered to facilitate the transit of gas to Europe and South Asia. Turkmen officials had agreed to consider the offer. (COMMENT: While in Abu Dhabi on August 27, President Berdimuhamedov noted in passing that Turkmenistan was working on expanding the Korpelje-Kurt-Kui pipeline to Iran. END COMMENT.) Ahmedinejad commented that the two countries have common views on the future of the Caspian, and invited President Berdimuhamedov to discuss it further during the Caspian states summit scheduled for later this year in Tehran.

-- Cross-border Trade. The two parties signed a memorandum that will ease border-crossing restrictions for border-region residents in Turkmenistan's Ahal and Balkan provinces for the purpose of trade, and facilitate the establishment of border-area markets. The two countries will establish a joint working group with the goal of promoting mutual trade.

-- Joint Water Management. The parties also signed agreements that will advance the construction and joint operation of two dams that will facilitate management of limited water resources on the border south of Sarakhs. The first project is the construction of a water distribution system and dam near Shirdepe on the Tejen (Harirud) River. Its completion would facilitate more efficient water management near Tejen, to include better managing an increased flow of water during the rainy season, according to News Central Asia reports. The second project regards the formation of a working group to address the approaching completion and joint operation of the Dostluk Dam on the Murghab River, also near Sarakhs. The dam is designed to irrigate 25,000 hectares of land on each side of the river.

-- Transportation. Early press reports suggested that the Iranian leader supported Berdimuhamedov's recently noted goal of creating a "North-South" transportation corridor, and Ahmedinejad publicly stated that fostering transportation links was one of the most important and promising areas of cooperation for the two countries.

-- Repayment of Debt. Turkmenistan agreed to pay an outstanding debt of \$5 million that it owed Iran for doing road construction in Turkmenistan back in the early 2000's.

COMMENT

15. (SBU) The belief here is that it is Ahmadinejad, seeking to shore up support among his neighbors, rather than Berdimuhamedov, who is really driving the relationship. While Turkmenistan wants and needs to have a normal relationship with its southern neighbor -- with whom it shares its longest border -- most here also agree that Turkmenistan is well aware that getting out in front of the international community will endanger both Turkmenistan's policy of neutrality and its political standing. For this reason, Berdimuhamedov seems to be focusing primarily on developing economic and cultural ties, rather than being pulled into expressing political support. And, although the two are seeking to ease tensions along their common border, the Government of Turkmenistan still has not agreed to ease its extraordinarily tough visa regime for Iranian citizens. END COMMENT.

HOAGLAND